

**AIR FORUM**  
*virtual*

# Designing and Conducting Faculty Salary Studies to Inform Decision-Making

By Ying Zhou, Beverly King, Hanyan Wang, and  
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East Carolina University

# About ECU and Faculty

- Fall 2019 enrollment: 28,651
- Over 2,000 instructional faculty
- 92% full-time faculty
- 51% tenured/tenure-track faculty

## Academic Affairs

Arts & Sciences

Business

Fine Arts &  
Communication

Education

Engineering &  
Technology

Health & Human  
Performance

Library

## Health Sciences

Allied Health  
Sciences

Dental Medicine

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- Faculty Salary Equity Study
- Focus: Gender & race/ethnicity
- Scope: Full-time instructional faculty (tenure-track and fixed-term)

2018-19

- Faculty Salary Compression Study
- Focus: Compression & inversion
- Scope: Tenure-track faculty in Academic Affairs and full-time faculty in Health Sciences

2019-2020

- Fixed-term Faculty Salary Study
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- Scope: Full-time fixed-term faculty in permanent positions in Academic Affairs

Annual Faculty Salary Benchmark Reports (CUPA-HR Data)

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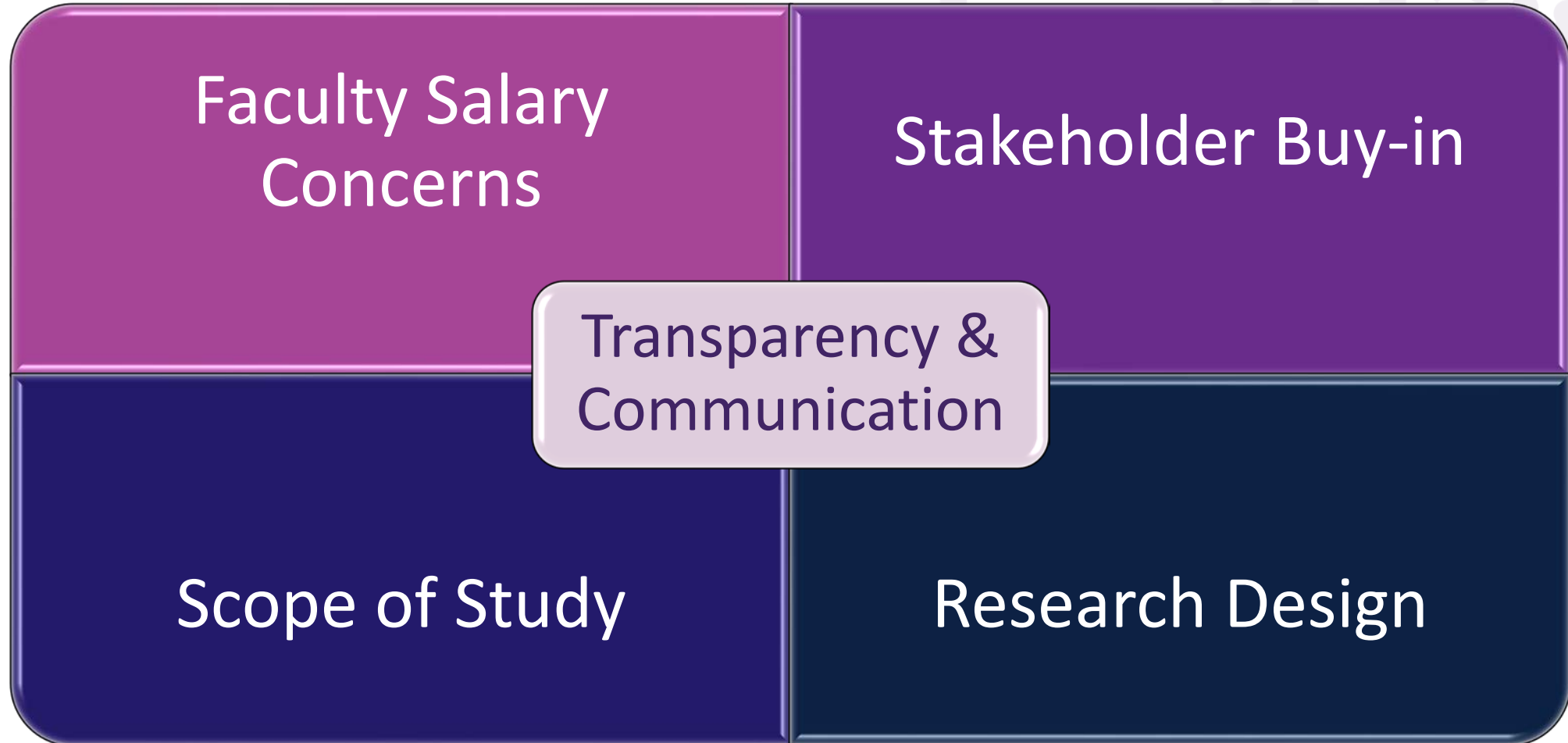
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# Important Considerations in Conducting Faculty Salary Studies



# ECU Faculty Salary Concerns

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- *Gender Equity*
- *Minority Faculty Salaries*
- *Salary Compression (by academic rank)*
- *Salary Competitiveness*
- *Fixed-term Faculty Salary*

## Dual Purposes for ECU Salary Studies:

- Identify whether there is an institutional-wide equity issue
- Identify individuals (egregious cases) for salary adjustments



# Who are your stakeholders?

- Faculty, especially members of the Faculty Senate or other shared governance groups
- Senior administrators
- Deans & department chairs
- Equity & legal offices

**And how do you obtain buy-in?**

# Establishing Effective Advisory Groups

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*Make sure to  
include the  
"right"  
people.*

- Composition of Advisory Groups
  - Faculty senate officers
  - Faculty welfare committee
  - Faculty representatives appointed by administrators
  - Faculty with expertise in statistics or compensation studies
  - Faculty advocates/critics
  - Divisional HR personnel
  - Chief diversity officer/university counsel/president's representative
- Additional Resource People
  - College personnel administrators
  - Associate deans

# Scope of Faculty Salary Studies

**One study can't address all concerns!**



- Define clear research questions and stay focused on these questions.
- Recognize limitations of a study.
- Conduct salary studies periodically to inform decision-making.



# Designing Faculty Salary Studies

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## *Study of faculty salary compression*

### Research Questions:

- What are the predictors of faculty salaries?
- Is there any evidence of *institution-wide* faculty salary compression by academic rank?
- Who are underpaid based on the identified salary predictors?
- How do ECU faculty salaries compare to national benchmarks?
- Did budget cuts and lack of institutional funds for promotional raises during the most recent economic downturn have a significant negative impact on the faculty promoted in those years?

# Developing Methodologies

- Literature review & review of studies conducted by other institutions
  - Most common method: linear model (to predict individual salary or estimate size of compression)
  - Most common predictors: academic rank, tenure status, administrator indicator, years in rank/at institution/in academia, college, department, highest earned degree, market factors
- Review of ECU's 2014-16 Salary Equity Study
- Consulting with ECU HR professionals and deans to understand salary practices

# Questions for Deans Regarding Fixed-term Faculty Salary Practices

What factors are considered when determining salary for a fixed-term faculty member?

Is there a relationship between academic title at hire and initial salary level?

Does your unit have a standard promotional raise for fixed-term faculty?

Are there any salary compression/inversion concerns in your unit?



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# Regression Analyses

## Benefits

- Campus familiar with the methodology
- Ability to
  - identify significant predictors of faculty salaries
  - identify whether there is a systematic compression issue
  - calculate predicted salaries

## Limitations/Challenges

- Less robust for colleges with small number of faculty and/or small numbers of faculty in certain departments or academic ranks
- Communicating statistical terms to a broad audience

# 2018-19 Compression Study: Considerations in Modeling Processes



## Definition of salary

- Use total annual compensation or base salary?
- How should 9-month & 12-month salaries be normalized?
- How are administrative duties paid?



## Proxy for market rate

- Use department (internally focused) vs. national benchmark (externally focused)?
- How should we account for significant pay differences by specialty in health science fields?
- What is an appropriate source of benchmark salaries and what is an appropriate peer group?



## Tenure Status

- Should both tenure eligible and fixed-term faculty be included in one regression model?
- Are potential salary predictors for tenure eligible and fixed-term faculty salaries different?



# Steps for Regression Analyses

## Data Validation

- Performed by Divisional HR
- Correcting errors in data
- Noting factors that might impact a person's salary
- Determining appropriate salary benchmarks

## Exploratory Analyses

- Exploring predictors identified from literature review & by advisory groups
- Removing outliers (Cook's D) in regression modeling
- Reviewing low-end outliers to improve model

## Final Steps

- Selecting the best model based on model performance, ease of translation and stakeholder input
- Generating a faculty report with predicted salaries and standardized residuals for administrators

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# 2018-19 Compression Study: Variables in Regression Analyses

	Academic Affairs*	Libraries	Nursing	Allied Health	Brody Medical	Brody Science	Dental Medicine
Department (proxy for discipline)	Y	Y	Y	Y			Y
Salary benchmark					Y, AAMC**	Y, AAMC	
Academic Rank	Y	Y	Y	Y			
Time in Rank	Y	Y	Y	Y	Y	Y	
Tenure/Fixed-term Status	Not applicable		Y	Y	Y	Y	
Hire Year–Terminal Degree Year (proxy for experience at hiring)			Y				
Supervisor/Chair		Y, Supervisor					Y, Chair
Special Credential			Y				
Years since hire							Y
R-squared	0.87	0.82	0.87	0.87	0.79	0.86	0.64

\* Includes tenured/tenure track faculty only. Other units include both tenure eligible and fixed-term faculty.

\*\* Association of American Medical Colleges (AAMC) benchmarks reflect discipline, specialty, academic rank, and administrative duties (such as chair, chief, etc.)



# 2018-19 Compression Study: Use of Regression Analyses Results

## To identify individuals for salary review

### Threshold for salary review

- Based on residuals (predicted salary – actual salary)
- Statistical outlier warning: standardized residual  $< -2.0$  or  $> 2.0$
- ECU internal threshold for salary review: standardized residual  $< -.75$
- Deans to make salary adjustment recommendations for identified individuals taking account into performance

## To identify systematic salary compression

### Signs of systematic compression

- Estimate for time in rank was negative and statistically significant
- Estimate for time in rank was not statistically significant
- Difference between estimates for associate professor and assistant professor  $<$  ECU standard promotional raise for associate professor
- Difference between estimates for associate and full professors  $<$  ECU standard promotional raise for full professor

# Transparency and Communication

- *Online Faculty Feedback Form*
- *Provost holding two open forums for AA faculty to discuss findings*
- *Executive Summary and Final Report of the study posted on Faculty Senate website*
- *Formal report to Faculty Senate followed by a Q&A session*
- *Letters sent to individual faculty regarding their own result and the salary adjustment, if any*



Faculty Senate

[Academic Calendars](#)

[Coronavirus](#)

## Faculty Welfare Committee

The committee meets on the following Thursdays at 3:30 pm in 142 Rawl Annex:

- September 12, 2019
- October 10, 2019
- November 14, 2019
- December 12, 2019
- January 16, 2020 (Rawl 303)
- February 13, 2020
- March 19, 2020 (*virtual meeting*)
- April 9, 2020 (*virtual meeting*)

## Committee Resources

### 2018-2019 Faculty Salary Compression Study

- [Executive Summary \(pdf\)](#)
- [Full Report \(pdf\)](#)

### How to Calculate a Predicted Salary

Example 1: Assistant Professor in Accounting with 3 years in rank:

Base	\$63,670
+ Rank (Assistant Professor)	+\$0
+ Time in Rank (\$388 per year * 3 Year)	+\$1164
+ Discipline (Accounting)	+\$61,998
<b>= Total Predicted Salary</b>	<b>=\$126,832</b>

# Summary of Lessons Learned

- Selection of methodologies should be guided by principal research questions as well as actionable outcomes of the study.
- Perceptions of salary issues may not align with patterns observed in salary data due to:
  - variation in salary practices across campus and across years
  - variation in composition of faculty across departments
  - faculty turnovers, unit-specific budget situation, retention packages, special hires, and ad hoc equity adjustments
- A successful study requires that IR staff spend time and effort in educating the campus about the analytical process and its results.
- A successful study also requires that administrators take actions and address issues identified in the study.



# Presenter Contact Information



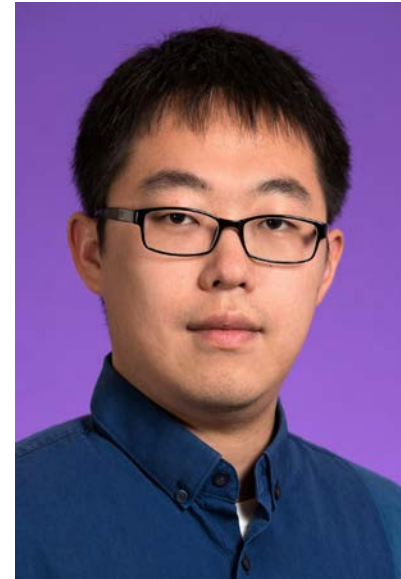
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